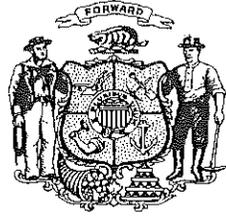


# State of Wisconsin

SENATE CHAIR  
**Howard Marklein**

316 East, State Capitol  
P.O. Box 7882  
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ASSEMBLY CHAIR  
**Mark Born**

308 East, State Capitol  
P.O. Box 8952  
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Phone: (608) 266-2540

## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Howard Marklein  
Representative Mark Born

Date: June 12, 2023

Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from the Department of Administration, received June 12, 2023, pursuant to s. 16.515/16.505(2), Stats., on behalf of the Department of Military Affairs.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Thursday, June 29, 2023**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Kathy Blumenfeld, Secretary

**Date:** June 12, 2023  
**To:** The Honorable Howard Marklein, Co-Chair  
Joint Committee on Finance  
The Honorable Mark Born, Co-Chair  
Joint Committee on Finance  
**From:** Kathy K. Blumenfeld, Secretary <sup>DS</sup> KB  
Department of Administration  
**Subject:** s. 16.515/16.505(2) Request(s)

JUN 12 2023  
ST. FINANCE

Enclosed are request(s) that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

AGENCY	DESCRIPTION	2021-22		2022-23	
		AMOUNT	FTE	AMOUNT	FTE
DMA 20.465(1)(g)	Military property			\$135,400	

As provided in s. 16.515, the request(s) will be approved on July 3, 2023, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Kirsten Grinde at (608) 266-1353, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Kathy Blumenfeld, Secretary  
Brian Pahnke, Administrator

**Date:** June 6, 2023

**To:** Kathy K. Blumenfeld, Secretary  
Department of Administration

**From:** Cory Stinebrink  
Executive Policy and Budget Analyst

**Subject:** Request under s. 16.515 from the Department of Military Affairs for increased maintenance costs.

**Request:**

The Department of Military Affairs requests an increase in expenditure authority of \$216,000 PR in its military property appropriation under s. 20.465(1)(g) relating to repairs and maintenance of department facilities.

**Revenue Sources for Appropriation(s):**

The revenue source for the intergovernmental services appropriation under s. 20.465(1)(g) is from facility rentals and sales of state-owned military lands or buildings. The revenues are sufficient to meet this request.

**Background:**

The military property appropriation under s. 20.465(1)(g) funds both the Wisconsin Military Academy and expenditures related to military property. This request relates to the military property allocation of the appropriation. Revenue from military property is used by the department to match federal funds received from the Master Cooperative Agreements that the state has with the National Guard Bureau of the Department of Defense. Military property funds are primarily used for expenses related to contracts for facility maintenance. Contract costs for maintenance at department facilities have increased by nearly 25 percent in fiscal year 2022-23 over what was experienced in fiscal year 2021-22.

Service	FY22	FY23	% Change
Janitorial	\$367,309.82	\$435,429.45	18.5%
Snow Removal	214,962.60	302,904.50	40.9%
Ground Maintenance	73,555.98	76,138.90	3.5%
Garbage Removal	59,062.77	74,171.74	25.6%
Fire Protection Services	10,624.98	12,430.99	17.0%
Floor Mats	7,812.09	9,973.81	27.7%
Weed Control	7,296.50	12,917.75	77.0%
Total	\$740,624.74	\$923,967.14	24.8%

Kathy Blumenfeld, Secretary  
Page 2  
June 6, 2023

**Analysis:**

The military property appropriation has remaining budget authority of \$53,210.08 PR as of May 31, 2023. A total of \$17,511.32 PR has been encumbered, for an available budget balance of \$35,698.76 PR.

The department has \$147,227 in expenses in a clearing account awaiting to be processed and anticipates purchase card expenses totaling \$20,000 through the remainder of the fiscal year. The department also indicates that \$85,133 is needed for maintenance projects that it identifies as critical needs.

Budget Authority Remaining	\$53,210.08
Encumbrances	<u>17,511.32</u>
Available Budget	\$35,698.76
Expenditures in Clearing Account	\$147,227.00
Anticipated Purchase Card Expenses	<u>20,000.00</u>
Total Pending Expenses	\$167,227.00
<b>Current Need</b>	<b>\$131,528.24</b>
Additional Maintenance Identified	<u>85,133.00</u>
<b>Total Agency Request</b>	<b>\$216,661.24</b>

The additional \$85,133 requested for maintenance projects includes equipment; tools; consumable goods such as toilet paper, paper towels and lightbulbs; and supplies for building, landscaping and other maintenance projects. Also included in this is \$3,900 for the state share of costs of boiler repairs and other HVAC needs. Some of these supplies and equipment could be purchased on existing state procurement contracts. Other projects would have to go through the procurement process, which could be challenging given the time remaining in the fiscal year.

As an alternative to the amount requested, a total of \$135,400 PR could be provided to address \$131,500 in current expenditures, encumbrances and expenditures in a clearing account and expected purchase card expenditures; and \$3,900 for boiler repairs and other emergent HVAC needs. Of the \$216,661 of costs identified by the department, \$81,233 would not be recommended at this time due to timing issues mentioned above.

**Recommendation:**

Modify the request to recommend a total of \$135,400 PR for the military property appropriation.

**CORRESPONDENCE/ Memorandum**

State of Wisconsin  
Department of Administration

**Date:** June 6, 2023  
**To:** Brian Pahnke  
**From:** Cory Stinebrink  
**Subject:** Section 16.515 Request

Attached is a s. 16.515 request analysis for your approval and processing. Listed below is a summary of each item:

**DOA RECOMMENDATION:**

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DMA 20.465(1)(g)	Military property			\$135,400	

**AGENCY REQUEST:**

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DMA 20.465(1)(g)	Military property			\$216,000	

BP APPROVAL 



STATE OF WISCONSIN  
DEPARTMENT OF MILITARY AFFAIRS

OFFICE OF THE ADJUTANT GENERAL  
STATE BUDGET & FISCAL OFFICER  
2400 WRIGHT STREET  
POST OFFICE BOX 14587  
MADISON, WI 53714-0587

Date: May 18, 2023

To: Brian Pahnke  
State Budget Director  
Division of Executive Budget & Finance  
Department of Administration

From: Paul E. Knapp On behalf of TAG: *Anna Ahler*  
Maj. Gen., Wisconsin National Guard  
Adjutant General

RE: **Request Pursuant to s.16.515**  
**Increased Spending Authority – Appropriation 20.465(1)(g)**

**Request:**

The Department of Military Affairs (DMA) requests an increase in expenditure authority for its Intergovernmental Services appropriation (1)(g)(numeric 131) of \$216,000 for fiscal year 2023. The requested increase is needed due to inflationary impacts and repair needs for aging facilities.

**Background:**

Appropriation 20.465(1)(g) has two numeric appropriations assigned to the alpha designation. The appropriation currently has \$997,900 of spending authority of which \$700,000 is designated for appropriation 132, The Wisconsin Military Academy (WMA) and \$297,900 is designated for appropriation 131, Military Property. This request only pertains to the Military Property and not WMA. We have completed a budgetary transfer of \$100,000 between the numerics to assist with the operational need; however, we do not anticipate having any additional funding to transfer from the WMA numeric appropriation to meet the facility needs.

The revenues from appropriation 131 Military Property numeric are used to match federal funds from the Master Cooperative Agreements (MCA) that the state has with the National Guard Bureau (NGB). The funds in appropriation 131 are mainly used for snow plowing activities at the sixty-nine armories located throughout the state and to cover additional maintenance needs at the facilities after funds are fully utilized under appropriation 20.465(1)(b) authorities. However, due to inflationary impacts, current encumbrances for on-going services and costs incurred have reduced the funding available for general maintenance and repairs. To date, the agency has seen a 18.7% overall increase in all facility

related encumbered amounts. Table 1 below shows some primary contracts and the inflationary impact between two fiscal years.

Table 1: Contract Cost Increase Between SFY 2022 and SFY2023 for Some Primary Contracts

<b>Encumbrances</b>	<b>SFY2022</b>	<b>SFY2023</b>	<b>% Change</b>
Janitorial	\$ 367,309.82	\$ 399,997.97	8.9%
Snow Removal	\$ 214,962.60	\$299,511.50	39.3%
Ground Maintenance	\$ 73,555.98	\$ 75,688.90	2.9%
Garbage Removal	\$ 59,062.77	\$ 69,869.58	18.3%
Fire Protection Equipment and Systems	\$ 10,624.98	\$ 11,912.99	12.1%
Floor Mat Rentals	\$ 7,812.09	\$ 9,162.68	17.3%
Weed Control	\$ 7,296.50	\$ 12,917.75	77.0%
<b>TOTAL</b>	<b>\$ 735,862.14</b>	<b>\$ 796,374.33</b>	<b>18.7%</b>

As of May 18, the 131 appropriation has an authority balance of \$26,347 (Table 2). It is anticipated that this will be fully executed the end of April. DMA has experienced several boiler breakdowns in SFY2023 resulting in expensive emergency repairs as well as significant snow removal increases due to a high snow fall in 2023.

Table 2: Appropriation Balance as of May 18, 2023.

<b>YEAR</b>	<b>APPN</b>	<b>BUDGET*</b>	<b>SPENT</b>	<b>ENCUMBERED</b>	<b>BALANCE</b>
2023	13100	\$ 397,900	\$ 340,714.37	\$ 30,811.40	\$ 26,347.23

\*Includes \$100,000 transfer from shared alpha - numeric 132.

Analyzing the expense totals in the appropriations that cover facilities maintenance (20.465(1)(b) – numeric 102 and 20.465(1)(g – numeric 131)), DMA estimates that the need for the fiscal year will be \$216,000. To ensure flexibility in case WMA (numeric 132) needs the \$100,000 in authority we transferred earlier in the state fiscal year, we are requesting the entire amount needed. This will ensure that we can meet any facility need that arises such as repairs to equipment, services and boiler repairs.

**Proposed Resolution:**

Provide \$216,000 in budget authority in 20.465(1)(g) – numeric 131 to cover the immediate costs of the facility operations and repairs.

**Revenue Source for the Appropriation:**

The revenue that is associated with the department’s request for increased spending authority has come from facility rentals and sales. The revenues are sufficient to meet this request.

**Fiscal Impact on the Appropriations:**

Currently, DMA has appropriation authority but not sufficient budget authority in the appropriation. The 20.465(1)(g) appropriation is Program Revenue (PR); expenditures can only be made to the level of available revenues and resources. Therefore, any spending authority above actual revenues and/or fund balances generated is irrelevant and not usable. If this request is not approved, then DMA would suspend all repairs and maintenance other than those that are emergencies impacting the health and safety of staff and those causing significant damage to the facility and suspend contracted services which would affect business owners that provide those services. Delays will increase funding needs for the deferred maintenance.

**Request Prepared by:**

Anna Oehler  
Budget and Policy Manager  
Wisconsin Department of Military Affairs  
242-3155